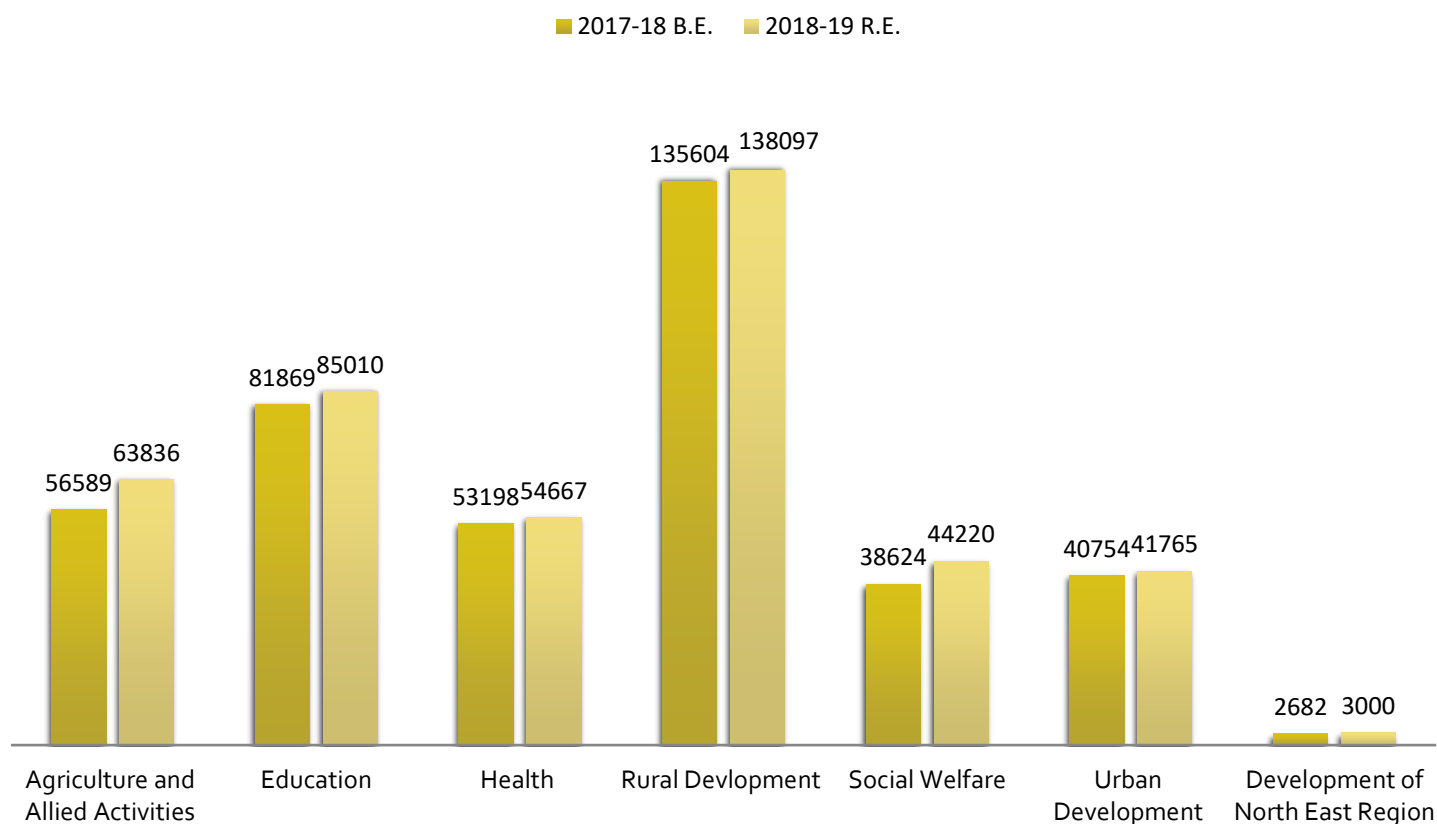


Union Budget 2018-19: An overview

The Union Budget 2018-19 was unveiled on 1st February by the Finance Minister in Lok Sabha. This brief provides an overview of budgetary allocation to key social sector ministries like Health, Education and Women & Child Development. For the Financial Year 2018-19, the total expenditure of the Union Budget has been projected at INR 24.42 lakh crore, which is an increase of 10 % from last year’s expenditure i.e. INR 22.177 lakh crore. Interest, Subsidy payments and Defense expenditure form the largest chunk of Expenditure.

Expenditure Distribution



Source: Compiled by Swaniti: Union Budget 2018-19

Health

The total allocation to the Ministry of Health and Family Welfare (MHFW) for the present financial year stands at INR 54667 crore which is a 2.5 % increase from last financial year’s allocation. The National Health Policy

2017 called for Health spending to stand at 2.5 % of the GDP. Presently, the expenditure for the Health Sector stand at 0.3 % of the GDP

Key announcements related to the Health Sector were picked up by commentators and media alike, for the implications they hold. Key announcements included:

- (i) **National Health Insurance Scheme:** Expansion of the Rashtriya Swasthya Bima Yojana (RSBY) announced in the Budget speech 2016-17, in the form of the National Health Insurance Scheme. Under the expanded version, the insurance cover has been increased to INR 5,00,000 per annum. The scheme is intended to benefit 10 crore households (HHs) and 50 crore individuals. In the present budget, the scheme has been allocation INR 2000 crore.
- (ii) **Health and Wellness Centres:** Both the Budget speech of 2017-18 and the National Health Policy (NHP) 2017, emphasized the need for setting up of Health and Wellness Centres. An allocation of INR 12000 crore has been made for this.
- (iii) **Increasing Human Resource in Health Care:** Upgradation of District Hospitals was announced, with the promise of setting up of at least one Government Medical College in each State.

Key Schemes Allocations: Comparison across years

Nation Health Mission: NHM is a long running umbrella scheme of the Health Ministry with two sub missions i.e. National Rural Health Mission (NRHM) and National Urban Health Mission (NUHM). Programmes for Reproductive, Child Health Care as well as communicable and non-communicable disease prevention are carried out in mission mode under the programme. Below is the budgetary allocation for the scheme from 2011-12 to 2018-18.

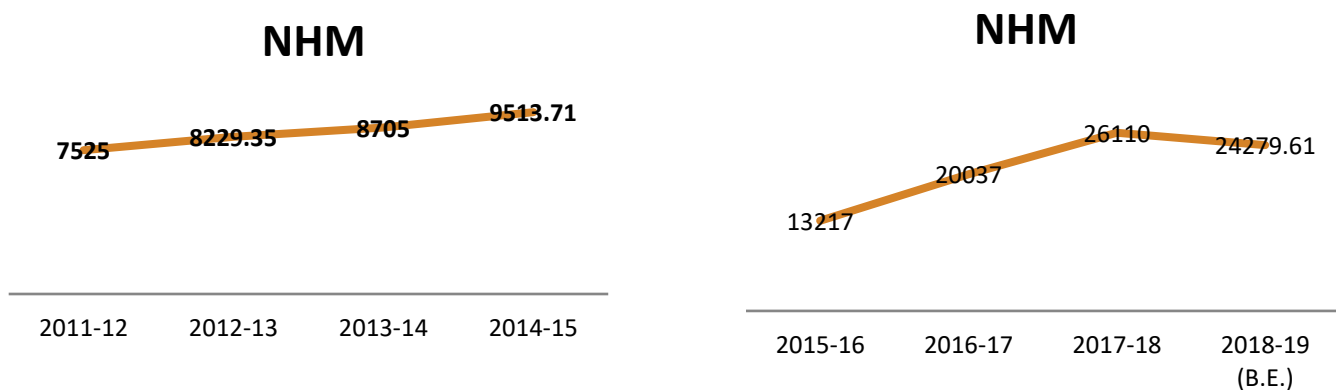


Figure 2: Allocations to NHM

For the years 2011-12 to 2014-15, expenditure on this critical scheme grew by 9.3 % from 2011-12 to 2012-13, followed by severe dip of only 5.7 % growth from 2012-12 to 2013-14. Growth in expenditure was reinstated to 9.2 % in the last year of the previous government.

2015-16 to 2018-19: Growth rates for expenditure on NHM witnessed a major jump from 2015-16 to 2016-17. After that, the increase has been somewhat steady with a 2 % dip in expenditure in the current financial year.

Tertiary Care Programmes: Previously split across National Programme for prevention and control of Cancer, Diabetes, Cardio-vascular Disease and Stroke, Tobacco Control, National Programme for Health Care for the Elderly and other key initiatives, **the Tertiary care Programmes has been grouped under one umbrella under the past 2 budgets.** Expenditure on Tertiary care Programmes have witnessed an increase of 12.3% from 2017-18 (R.E.) to 2018-19 (B.E.). It is important to point out that Telemedicine Tobacco Control programme have witnessed quite an impressive hike in expenditure, of almost 160 % from INR 25 crore (2017-18, B.E.) to 65 crore (2018-19 B.E.). Telemedicine expenditure has also witnessed an increase of 37.1 % from 2017-18 (R.E.) to 2018-19 (B.E.).

Women & Child Development

An allocation of INR 24,700 was made to the Ministry of Women and Child Development (MWCD) crore, which is 11.7 percent (i.e. INR 2606 crore) more than the allocation of INR 22094.67 made in the last financial year. With an allocation of INR 16,334.88 crore, ICDS (Anganwadi Services) has received the major portion of the total allocation under MWCD. Launched in October 2017, the Pradhan Mantri Matru Vandana Yojana has been provide with an allocation of INR 2400 crore, with an aim to reduce low birth weight by 1 percent by 2019-20 (as stated in NFHS 4).

The Central Government launched 'Pradhan Mantri Mahila Shakti Kendra' under the Umbrella Scheme of "Mission for Protection and Empowerment for Women" for a period of three years from 2017-18 to 2019-20. The scheme aims to empower women through community participation. To increase the momentum, the Government allocated INR 267.30 crore to the scheme in the present financial year. An allocation of INR 550 crore was also made to the Nirbhaya Fund. Government's ambitious scheme, 'Beti Bachao, Beti Padhao' has witnessed an increase in allocation from INR 200 crore to INR 280 crore in 2018-19. Table 1 looks into the budgetary allocation for the major schemes under MWCD and Output-Outcome Framework:

Name of Scheme/Sub-Scheme	Financial Outlay 2016-17 (BE) (INR crore)	Financial Outlay 2017-18 (BE)(INR crore)	Financial Outlay 2018-19 (BE)(INR crore)	Deliverables against the Outlay 2018-19	Projected Medium Term Outcomes
Agandwadi Services	14000.00	15245.19	16334.88	1. Operationalisation of Aganwadi Centre. 2. Reduction in underweight children 3. Providing drinking water facility to Aganwadi Centres. 4. Providing toilet facility to Aganwadi Centres	1. Operationalisation of remaining 45,084 Aganwadi Centres 2. Children (between 0 and 6 years): Reduction in underweight children. The details of Aganwadi services beneficiaries shall be maintained on RRS. 3. @ 20,000 Aganwadi Centres (AWCs) per annum 4. @ 70,000 Aganwadi Centres (AWCs) per annum
Pradhan Mantri Matru Vandna Yojna (PMMVY)	400	2700	2400.00	Pan-India implementation covering all the districts of the country. Estimated No. of beneficiaries= 51,70,000	Reduction in low birth weight by 1% per annum 2019-20 (Baseline NFHS 4 level)
Mahila Shakti Kendra	-	-	267.30	-State Resource Centre for Women (SRCW) set up under the respective State Govt./UT Adm. in all States/UTs -220 District Level Centre for Women (DLCW) set up in 220 districts -500 blocks in 100 selected districts (5 block per district) to provide MSK convergent service for empowering women	50% women to be covered in the selected blocks through awareness and outreach activities of MSK % of women demanding services out of the women reached 70% of women provided with government scheme benefits/services out of total women demanding such services
Swadhar Greh	100	100	95.00	18000 beneficiaries to be covered	Providing an opportunity to live in society and self-support to women in difficult circumstances by

					providing them primary need of shelter, food clothing emotional support and counselling social and rehabilitation through education, awareness and skill up gradation
Ujjawala	35.00	50.00	50.00	6000 Beneficiaries to be covered	Providing an opportunity to live in society and self-support to women who are forced into menace of trafficking by the methods of prevention of trafficked rescuing the trafficking person ensure rehabilitation and reintegration of the victim and repatriation of any foreign national who is forced into trafficking
Beti Bachao, Bet Padhao Campaign (BBBP)	100.00	200	280.00	<p>I. Improve the Sex Ratio at birth (SRB) in gender critical districts by 2 points per year.</p> <p>II. Reduce Gender differentials in Under Five Child Mortality Rate from 7 points in 2014 (latest available SRS reports) to 1.5 points per year.</p> <p>III. At least 1% increase per year of 1st Trimester ANC Registration.</p> <p>IV. Increase the girl's enrolment in Secondary School</p> <p>V. Provide girl's toilet in every school in the selected districts.</p>	

Key Schemes Allocations: Comparison across years

Integrated Child Development Services (ICDS): A time series is provided for the allocations to ICDS from 2012-13 to 2018-19. The expenditure allocation to the scheme rose by 11 % in from 2012-13 to 2013-14. Due to the interim budget, the allocation to these schemes reduced. In 2016-17, the allocation reached INR 14000 crore, and increased by 8.7 % in 2017-18. In the present financial year, the allocation for ICDS stands at INR 16334.88 crore which present an increase of 7.1 %. The in allocation was more robust in the previous years from 2012-13 to 2013-14.

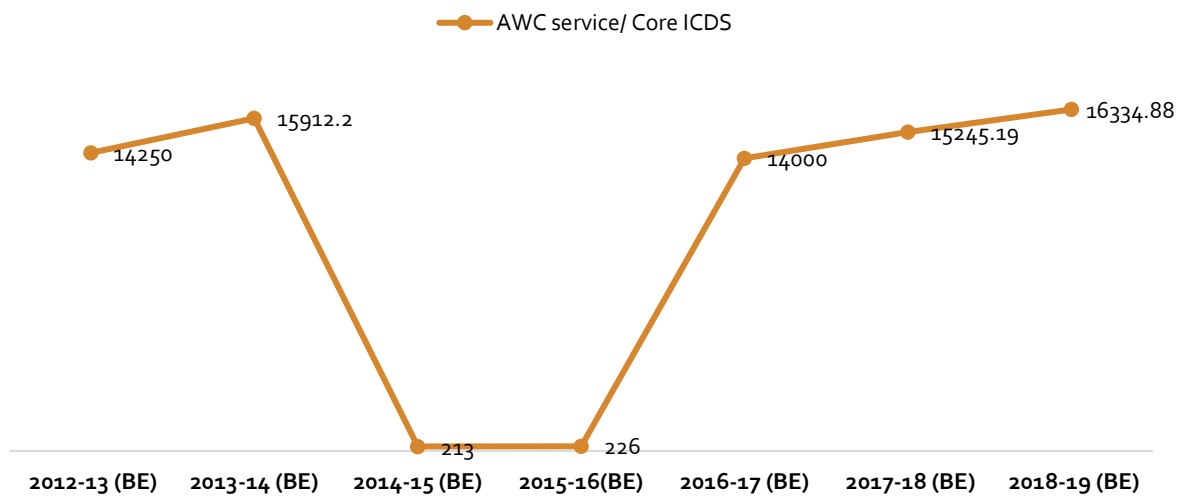


Figure 3: Allocation to ICDS

Education

An analysis of the allocation for education over the years shows a steady decline in budgeting by the government for the two departments under the Ministry of Human Resources Development. The Figure- 4 illustrates this fact clearly. Over 7 years, the proportion of education spending to GDP has fallen from 0.74% to 0.45% for primary, secondary and higher education.

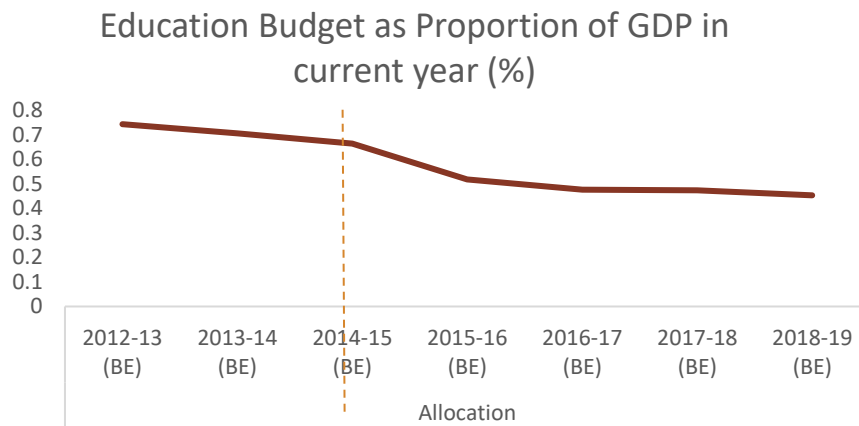


Figure 4: Education Budget as Proportion of GDP in current year (%)

The numeric allocation for education in rupee crores also has not registered significant growth. Despite accounting for the interim budget period, there was a significant reduction in absolute amounts devoted to education. Figure 5 below depicts the trend of education spending in the country, and shows that it has picked up in the last two cycles. This budget has set aside the highest rupee crores for primary, secondary and higher education, but this has to be viewed with caution, keeping in mind that the proportion in allocation has only gone down (Figure 6).

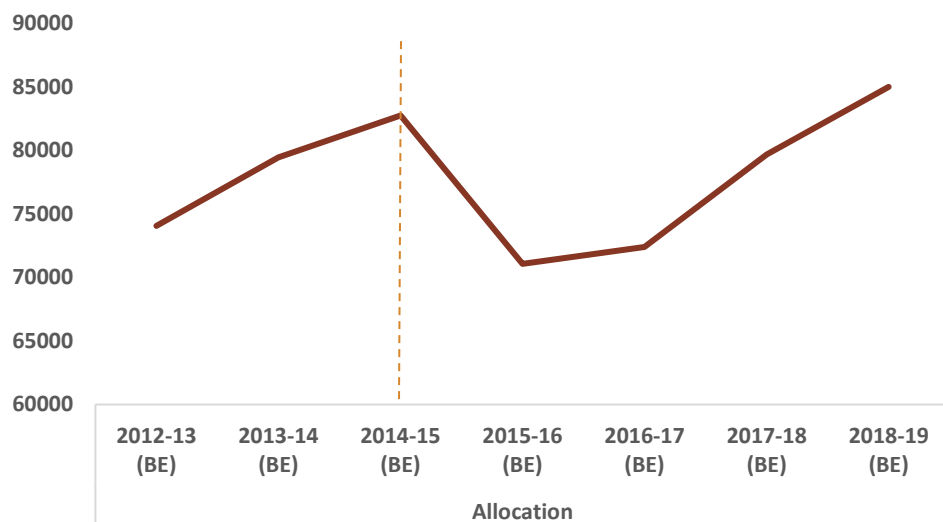


Figure 5: Total Education Budget

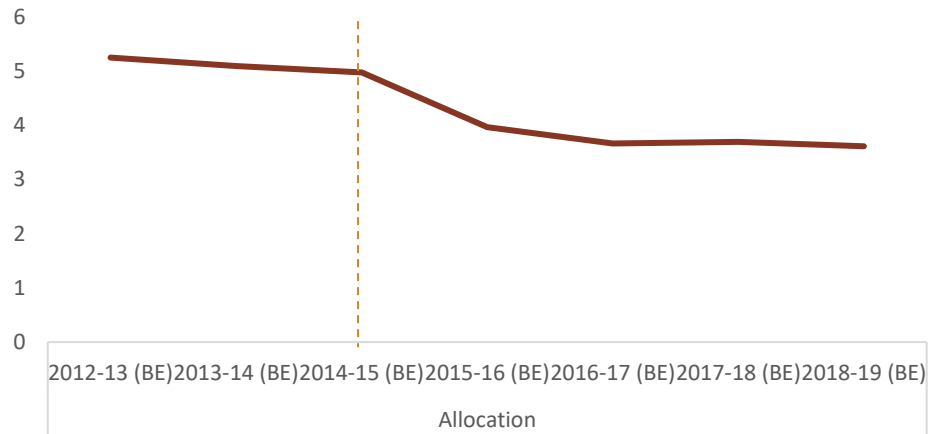


Figure 6: Proportion of Education Allocation in Total Budget Outlay

When we specifically examine schemes, the interim budget year presents a disruptive observation in the trajectories of the graphs. Take for instance, the allocation for Rashtriya Madhyamik Shiksha Abhiyan (RMSA), a flagship Centrally Sponsored Scheme pursued by the central government(s) over the time period of analysis. The disbursement for RMSA has not reached the levels in 2013-14 ever after the interim budget, as seen in Figure 7. The percentage change in allocation has grown only marginally over the years compared to the GDP growth rate of the country.

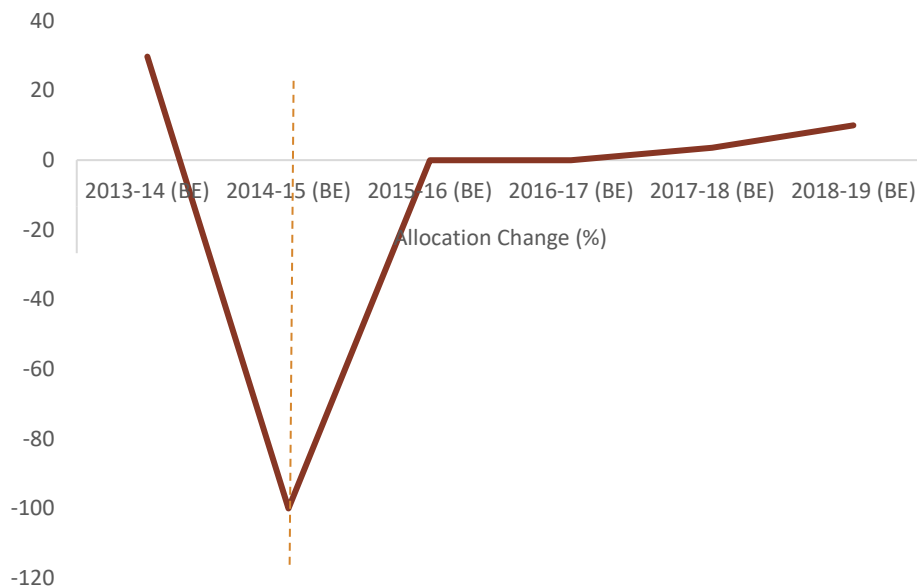


Figure 7: % change in RMSA allocations

An overview of these sectors provides that government expenditure to these critical social sector schemes has increased in the recent time period. However, post 2015-16, the growth in the allocation (except NHM) has not been as robust when compared to the period before 2015-16. The low pace of increase could also be accounted by the Recommendations of the 14th Finance Commission (reorganization of schemes, greater devolution of taxes to the States).